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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
7 March 1968

INTELLIGENCE MEMORANDUM

Communist Aid to North VietnamIntroduction

1. Communist aid deliveries to North Vietnam have increased significantly each year since the US bombing program began. As shown in Table 1 average annual deliveries of both economic and military aid were at reasonably low levels prior to the bombing. In 1965, however, total aid deliveries jumped to \$420 million and have increased rapidly each year since. We estimate that total aid deliveries in 1967 reached one billion dollars and that they will be even greater in 1968.

2. From 1954 to date North Vietnam has received over \$3.2 billion in military and economic assistance from Communist countries. Over this long period, the assistance has been divided about evenly between military and economic goods. Since 1965, however, military aid has accounted for an increasing share of total assistance and in 1966 and 1967 it accounted for almost two-thirds of total deliveries.

3. The USSR and Communist China account for the bulk of the assistance provided to North Vietnam. The Soviet Union has

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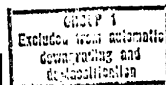


Table 1

Communist Aid to North Vietnam*

Military**

	<u>Million US \$</u>				
	<u>1954-64</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Total</u>
Soviet Union	70	210	360	505	1,145
Communist China	70	60	95	150	375
East Europe	Negl.	Negl.	Negl.	Negl.	Negl.
Total	<u>140</u>	<u>270</u>	<u>455</u>	<u>660</u>	<u>1,525</u>

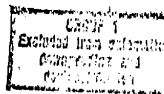
Economic

Soviet Union	365	85	150	200	800
Communist China	457	50	75	80	662
East Europe	129	15	50	60	254
Total	<u>950</u>	<u>150</u>	<u>275</u>	<u>340</u>	<u>1,715</u>
Total Economic and Military Aid	<u>1,090</u>	<u>420</u>	<u>730</u>	<u>1,000</u>	<u>3,240</u>

* Data show the value at Soviet Foreign trade prices of weapons, other military equipment and ammunition. They exclude aid for the construction of military installations and defense-related facilities.

** Totals may not add due to rounding.

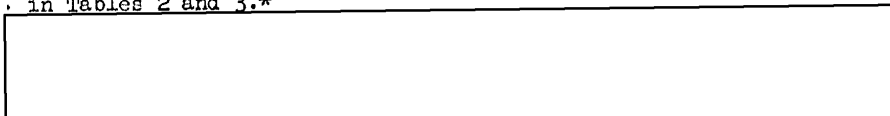
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provided over \$1.5 billion in military and economic assistance, or 60 percent of the total. Communist China has supplied just over \$1 billion in economic and military assistance. The European Satellites have provided about \$255 million in aid, almost exclusively in economic assistance programs. They are, however, assuming a greater role in providing military goods for delivery in 1968 under the terms of aid agreements negotiated in the summer and fall of 1967.

4. During the 11 years 1954-64 deliveries of combat materiel to North Vietnam amounted to only \$140 million. Since the bombing began, the USSR and Communist China have greatly expanded their military aid to North Vietnam from an estimated \$270 million in 1965 to almost \$660 million in 1967. The USSR has supplied almost 80 percent of the total value of military equipment delivered since 1965 and Communist China the bulk of the remainder. East European countries have supplied only negligible quantities of combat materiel.

5. Soviet military deliveries have concentrated on air defense equipment including surface-to-air missiles, antiaircraft guns, radar, and fighter aircraft including MIG-21's. Chinese military aid has concentrated on building up North Vietnamese ground forces and sustaining the military effort in South Vietnam. In addition, China apparently has supplied radar and in 1967 provided large numbers of MIG-17's -- most of them delivered to replace the heavy losses in the latter part of the year. Communist military aid deliveries by quantity and value in 1965, 1966, and 1967 are shown in Tables 2 and 3.*



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6. The USSR and Communist China both have military personnel assisting the North Vietnamese, primarily in support and training roles.

	As estimated 2,000 Soviet

military technicians presently are in North Vietnam advising and giving training on the SAM systems, aircraft, communications and logistics support. The value of this technical assistance has not been estimated but it could conceivably run to the tens of millions of dollars over the 3 year period since the bombing began.

7. Almost certainly all combat material delivered to North Vietnam has been grant aid. In the series of public announcements on military aid agreements signed with seven Communist countries in the fall of 1967, five specifically mentioned that military aid would be "non-refundable," "gratuitous" or "free". Besides its ideological claim to free military aid from its Communist allies, North Vietnam simply does not have the means for repaying present or past levels of aid.

Economic Aid

8. In addition to combat materiel Communist countries have provided an increasing amount of economic assistance much of it including war-related commodities, petroleum, trucks and construction

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materials. The bulk of these goods are provided as grant aid although some are included under long term credit arrangements. Over \$1.7 billion in economic aid has been provided to North Vietnam during 1954-1967. About 45 percent of this aid has been supplied during the past three years. Although economic aid has increased each year, from \$150 million in 1965 to \$340 million in 1967, it is much smaller than military aid.

9. The economic aid programs are also dominated by the USSR and Communist China. The USSR has supplied \$800 million or 47 percent of the economic assistance provided during the past 11 years. Communist China accounted for over \$660 million or 38 percent of the total. The European Satellites provided less than \$255 million, or about 15 percent of the total. During the past two years, however the Soviet Union has also undertaken to provide an increasing share of the economic aid program and in 1967 it accounted for about 60 percent of the deliveries of economic goods.

10. The supply of almost every category of economic goods has increased during the past three years. Imports of about 256,000 tons of petroleum primarily from the USSR, were almost 10 percent greater in 1967 than in 1966 and 45 percent greater than in 1965. About 40 percent of the petroleum is consumed directly by the military and another large part is consumed in military support activities. Annual imports of about 4,700 vehicles in both 1966 and 1967 were a third higher than the number imported

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in 1965. Imports of about 490,000 tons of miscellaneous and general cargo, that include construction machinery and materials, spare parts and other goods possibly satisfying military needs also were increased by a third in 1967 over 1966. Seaborne imports of bulk foodstuffs totalled over 450,000 tons in 1967, about 6 times the level of the previous year and almost 3 times the immediate pre-bombing level.

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	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Million US \$</u> <u>Total</u>
Economic Aid	150	275	340	765
Military Aid	270	455	660	1,385
Total	<u>420</u>	<u>730</u>	<u>1,000</u>	<u>2,150</u>